

2 September 2024

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# Binding Commitments received for \$0.750m Capital Raise & Board and Executive changes

## Key Highlights

- ReNu Energy has secured commitments of A\$0.355 million under a Loan Notes Placement and A\$0.395 million under a Share Placement to cover costs for project generation and development, including assessing synergistic ESG opportunities to reduce Australian emissions in the heavy transport industry and for general working capital.
- Under the Loan Note Placement, 355,000 Loan Notes at \$1.00 each will be issued that will become convertible into both ordinary shares at a conversion price of \$0.0008 and options exercisable at \$0.003, both solely subject to shareholder approval.
- Under the Share Placement, 395 million Placement Shares will be issued at \$0.001 each, subject to Shareholder approval.
- The Capital Raise is lead managed by PAC Partners.
- The Capital Raise was supported by Australian sophisticated and professional investors.
- ReNu Energy also announces changes to Board and Executive roles as part of the Company's Corporate Execution Plan (**CEP**) to deliver Australia's first end-to-end hydrogen transport ecosystem through its flagship Tasmanian green hydrogen project: **Hydrogen HyWay#1**.

ReNu Energy Limited (**ASX: RNE**) (**ReNu Energy**) is pleased to announce that it has received binding commitments for both the issue of 355,000 loan notes (**Loan Notes**), to be issued at \$1.00 each (**Loan Note Placement**) and the issue of 395 million ordinary shares (**Placement Shares**), subject to receipt of Shareholder approval, at \$0.001 each (**Share Placement**).

The Loan Note Placement and the Share Placement are together referred to as '**the Capital Raise**'.

The offer of the Loan Notes and Placement Shares was made to sophisticated and professional investors in Australia and successfully closed, achieving binding commitments of A\$0.750 million.

## ReNu Energy Limited

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Milton, QLD 4064, Australia

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Greg Watson, CEO of ReNu Energy, said:

*"We are pleased to secure these commitments. We are also announcing today a Corporate Execution Plan to align governance structure and project execution with further cost discipline to deliver Australia's first end-to-end hydrogen transport ecosystem: Hydrogen HyWay#1. Our funding plan previously announced sets out additional measures underway to secure funding to reach FID and commence construction. This incorporates co-investment, proceeds from the sell down of existing investee companies and government grants. The funds raised will allow the Company to assess synergistic ESG technologies and opportunities that reduce Australian emissions in the heavy transport industry."*

### **The Loan Note Placement**

The 355,000 Loan Notes to be issued at \$1.00 each raising \$0.355 million in aggregate under the Loan Note Placement, have an interest rate of 0% and are a debt instrument. The Loan Notes will however become convertible into:

- ordinary shares (**Loan Note Shares**); and
- unlisted options (**Loan Note Options**),

solely subject to shareholder approval under Listing Rule 7.1, in which case, the face value of the Loan Notes (being \$0.355 million in aggregate) will be converted into:

- Loan Note Shares at a conversion price of \$0.0008, resulting in the issue of 443,750,000 Loan Note Shares.
- Loan Note Options at an exercise price of \$0.003, expiring 3 years following their date of issue and issued on a 1:1 basis with the Loan Note Shares, resulting in the issue of 443,750,000 Loan Note Options.

In the event Shareholders do not approve the conversion mechanism in the terms of issue of the Loan Notes, the Company will be required to repay the Loan Notes in cash on the Maturity Date, being 1 year following the date of issue of the Loan Notes (unless repaid earlier).

A summary of the terms of issue of the Loan Notes is appended to this ASX Announcement at **Schedule 1**.

### **The Share Placement**

The 395 million Placement Shares will be issued under the Share Placement at a price of \$0.001 each, to raise a total of A\$0.395 million in aggregate. The issue of the Placement Shares is subject to receipt of Shareholder approval under Listing Rule 7.1.

New Director, Mr Greg Watson has committed to taking up \$20,000 in the Share Placement. The issue of such Placement Shares is subject to shareholder approval.

### **Use of Proceeds**

The net proceeds from the Capital Raise are planned to be invested in the following areas:

Item	Amount
Project generation and development, including assessing synergistic ESG opportunities to reduce Australian emissions in the heavy transport industry.	\$600,000
Working capital and costs of the offer.	\$150,000
<b>Total proceeds from Capital Raising</b>	<b>\$750,000</b>

Please refer to the Company's 30 June 2024 quarterly activities report, released to ASX on 31 July 2024, for details of the additional aspects of the funding program being pursued by ReNu Energy, including: (i) progressing options to realise value in investee companies; and (ii) pursuing co-investment and grant funding opportunities for the Company's flagship Tasmanian green hydrogen project: Hydrogen HyWay#1. Grant

funding opportunities include: (i) finalising the \$8 million funding package awarded by the Tasmanian Government; (ii) ARENA Advancing Renewables Program grant application; and (iii) the Federal Government's Hydrogen Highways program.

### **Advisors**

The Capital Raise is lead managed and by PAC Partners Securities Pty Ltd ACN 623 653 912 (AFSL 335374) and CoPeak Corporate Pty Ltd (AFSL 382585) (**Lead Managers**).

The Lead Managers will be issued with a total of approximately 209,687,500 unlisted options with an exercise price of \$0.003 and expiring 5 years following their date of issue (**Broker Options**). The Broker Options will be issued subject to shareholder approval under Listing Rule 7.1.

### **Indicative timetable with respect to the Loan Notes and Placement Shares**

Event	Time and Date
ASX Announcement	2 September 2024
Loan Notes issued	5 September 2024
General Meeting to be convened	21 October 2024
Allotment of Placement Shares, Loan Note Shares, Loan Note Options and Broker Options	22 October 2024
Normal trading of Placement Shares and Loan Note Shares	23 October 2024

This timetable is indicative only and may be subject to change. ReNu Energy reserves the right to amend any or all of these dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws.

### **Board and Executive changes**

ReNu Energy also today announces changes to Board and Executive roles as part of the Company's Corporate Execution Plan (**CEP**) to deliver Australia's first end-to-end hydrogen transport ecosystem through its flagship Tasmanian green hydrogen project: **Hydrogen HyWay#1**.

Hydrogen HyWay#1 is being developed by the Company's wholly owned subsidiary Countrywide Hydrogen Pty Ltd (**Countrywide**) (ReNu Energy and Countrywide together **the Group**). Please refer to the Company's 30 June 2024 quarterly activities report, released to ASX, for further details on the status and progress of Hydrogen HyWay#1.

The Company's CEP is designed to align governance structure and project execution with further cost discipline to Final Investment Decision (**FID**). The CEP includes the following Board and Executive changes.

#### ***Resignation of Mr Geoffrey Drucker***

Mr Geoffrey Drucker has stepped down as Executive Director effective 2 September 2024 to allow him to focus solely on his role as Managing Director of Countrywide.

#### ***Appointment of Mr Greg Watson***

Mr Greg Watson has been appointed to the Board as Managing Director of the Company effective 2 September 2024. Mr Watson will retain the role of Chief Executive Officer and Company Secretary. A summary of the terms of Mr Greg Watson's appointment documents is appended to this ASX Announcement at **Schedule 2**.

ReNu Energy Chairman, Mr Boyd White said:

*"The Board recognises the important role Geoff has played since his appointment in February 2022. We are pleased to announce this change to allow Geoff to solely focus on delivering for shareholders the milestones to FID for Hydrogen HyWay#1 and progress the Group's pipeline of Hydrogen HyWays on the mainland and internationally.*

*We are also pleased to announce the appointment of Greg as ReNu Energy's new Managing Director. Greg knows the ReNu Energy business intimately and brings to the team his extensive commercial and operational experience."*

**Further rationale and anticipated cost base changes arising from the CEP**

The CEP provides the governance structure for Countrywide to focus on achieving FID and the framework for ReNu Energy to contemplate optimal capital and funding options to deliver the best returns to shareholders.

The CEP incorporates:

- Reductions in operating expenditure, including further reduction to the Group's annual fixed remuneration by \$0.2 million (i.e. in addition to the Board and management remunerations changes announced on 16 April 2024). This will result in a 45% reduction in Board and Executive fixed remuneration compared to financial year 2023;
- Mr Watson filling the third Board seat of ReNu Energy as an additional measure to save costs, i.e. in addition to his current CEO and Company Secretary roles; and
- Mr Drucker and Ms Inge Drucker continuing their roles with Countrywide with incentives and performance rights based on delivering key milestones.<sup>1</sup>

We look forward to keeping the market updated with further material progress.

This announcement was authorised for release to ASX by the ReNu Energy Board. For further information please contact the Company on 07 2102 3654 (within Australia) or +61 7 2102 3654 (outside Australia) between 8:30am and 7:00pm (Sydney time), Monday to Friday during the offer period.

**Greg Watson**

Chief Executive Officer  
ReNu Energy Limited

**About ReNu Energy (<https://renuenergy.com.au/>)**

ReNu Energy's purpose is to strategically drive the transition to a low carbon future. It does this by investing in renewable and clean energy technologies and identifying and developing hydrogen projects to create stakeholder value, enabling the transformation to a low carbon future through collaboration and innovation. ReNu Energy's vision is to be a leader in the renewable and clean energy sector in Australia striving for a sustainable future, producing green hydrogen for domestic use and with a portfolio of domestic and international projects.

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<sup>1</sup> As at the date of this ASX Announcement, the terms of the arrangements are yet to be finalised.

## Important Notices

### Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of ReNu Energy, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of ReNu Energy's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of ReNu Energy, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to ReNu Energy as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of ReNu Energy, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

### Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities described in this announcement may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

### Schedule 1 – Term of Loan Notes

<b>Number of Loan Notes subscribed for:</b>	355,000
<b>Face Value of each Note:</b>	\$1.00
<b>Amount raised</b>	\$355,000
<b>Interest rate:</b>	0% per annum
<b>Conversion Price:</b>	\$0.0008
<b>Redemption:</b>	<p>In the event the Loan Notes are not earlier converted, the Loan Notes will be repaid in cash on the earlier of:</p> <ul style="list-style-type: none"> <li>• In the event of an insolvency event; and</li> <li>• On the date that is 1 year following the issue of the Loan Notes (unless repaid earlier).</li> </ul>
<b>Conversion (subject to Shareholder approval):</b>	<p>The Loan Notes are a debt security.</p> <p>At the general meeting of RNE, proposed to convene in October 2024, Shareholders will, however, be asked to approve a conversion mechanism (<b>Conversion Mechanism</b>) in the Loan Note terms such that:</p> <ul style="list-style-type: none"> <li>• <b>Loan Note Shares –</b> <ul style="list-style-type: none"> <li>○ The aggregate Face Value (<b>Outstanding Amount</b>) will automatically convert into ordinary shares in RNE (<b>Loan Note Shares</b>) with such number determined by dividing the Outstanding Amount by the Conversion Price, resulting in 443,750,000 in aggregate Loan Note Shares; and</li> <li>○ The Loan Note Shares will be issued within 10 business days following receipt of shareholder approval.</li> </ul> </li> <li>• <b>Loan Note Options –</b> <ul style="list-style-type: none"> <li>○ Options (<b>Loan Note Options</b>) will be issued on a 1:1 basis with the Loan Note Shares, will have an exercise price of \$0.003 and will expire 3 years following their date of issue, resulting in the issue of 443,750,000 Loan Note Options.</li> <li>○ The Loan Note Options will be issued within 10 business days following receipt of shareholder approval.</li> </ul> </li> </ul> <p>The Conversion Mechanism will need to be approved under ASX Listing Rule 7.1.</p>

## Schedule 2

### Summary of the key terms of the employment contract between ReNu Energy Limited and Mr Greg Watson

<b>Role:</b>	Chief Executive Officer and Managing Director.
<b>Remuneration:</b>	Mr Watson will receive an annual total fixed remuneration of \$225,000 (plus superannuation).
<b>Appointment date:</b>	2 September 2024.
<b>Term:</b>	No fixed term.
<b>Termination:</b>	<p>ReNu Energy may terminate Mr Watson's employment contract at any time on 6 months' notice. Mr Watson may terminate his employment contract at any time on 3 months' notice.</p> <p>Mr Watson's employment may also be terminated summarily on 14 days' notice for serious misconduct and in other defined events.</p> <p>If Mr Watson is terminated as the Chief Executive Officer, he must resign as Managing Director.</p>
<b>Incentives:</b>	<p>Mr Watson shall be entitled to participate in the ReNu Energy Employee Long Term Incentive Plan subject to the usual Board and Shareholder approvals.</p> <p>As at the date of this ASX Announcement, Mr Watson holds shares issued under the Long Term Incentive Plan of ReNu Energy as follows:</p> <ul style="list-style-type: none"><li>• Mr Watson was granted three equal tranches of shares, totalling 10,000,000 shares, pursuant to the Loan Share Plan (<b>Plan Shares</b>), following approval by shareholders at the general meeting held on 1 February 2022.</li><li>• Each tranche of Plan Shares vests if, within 10 years of issue, the Company's share price achieves a 15-trading day volume weighted average price in excess of \$0.15, \$0.25 and \$0.35 for each of the three tranches respectively.</li><li>• Unvested Plan Shares vest upon a change of control of ReNu Energy.</li><li>• The shares were issued at an issue price of \$0.09 and Mr Watson was provided with an interest-free, non-recourse loan for the value of the Plan Shares.</li></ul>